



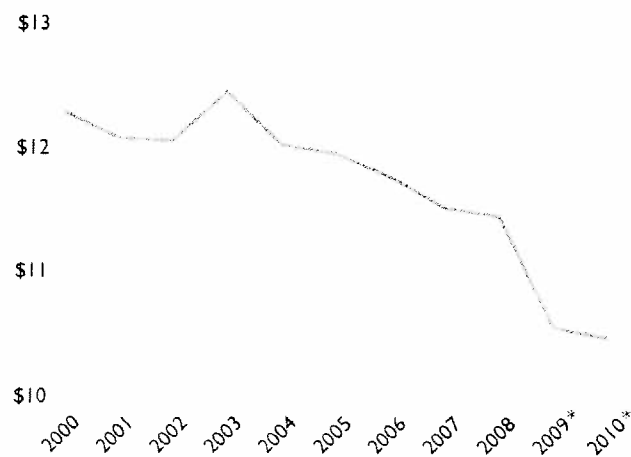
# Michigan Public Schools: Resources and Reforms

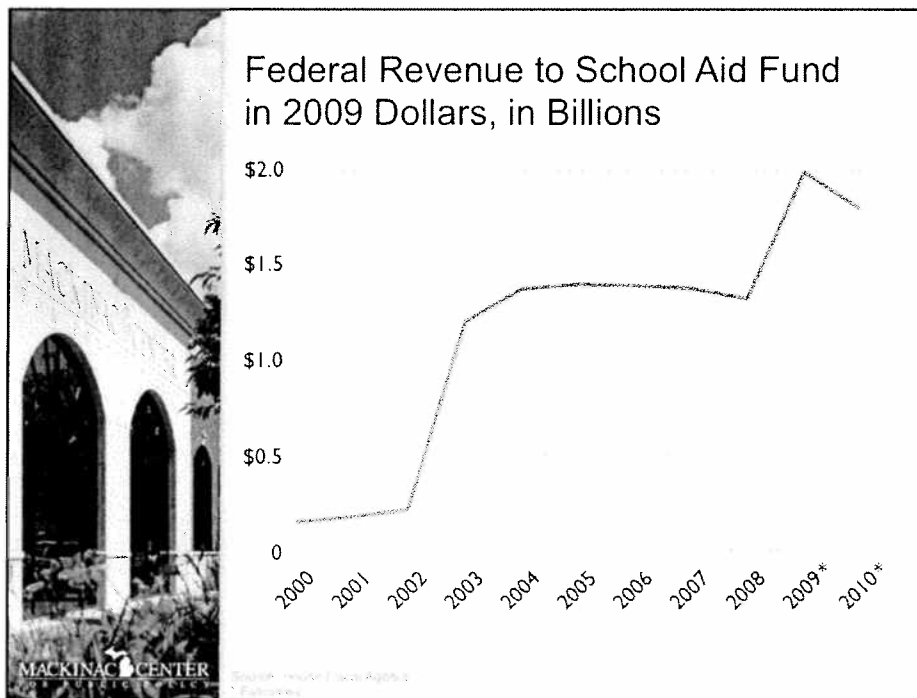
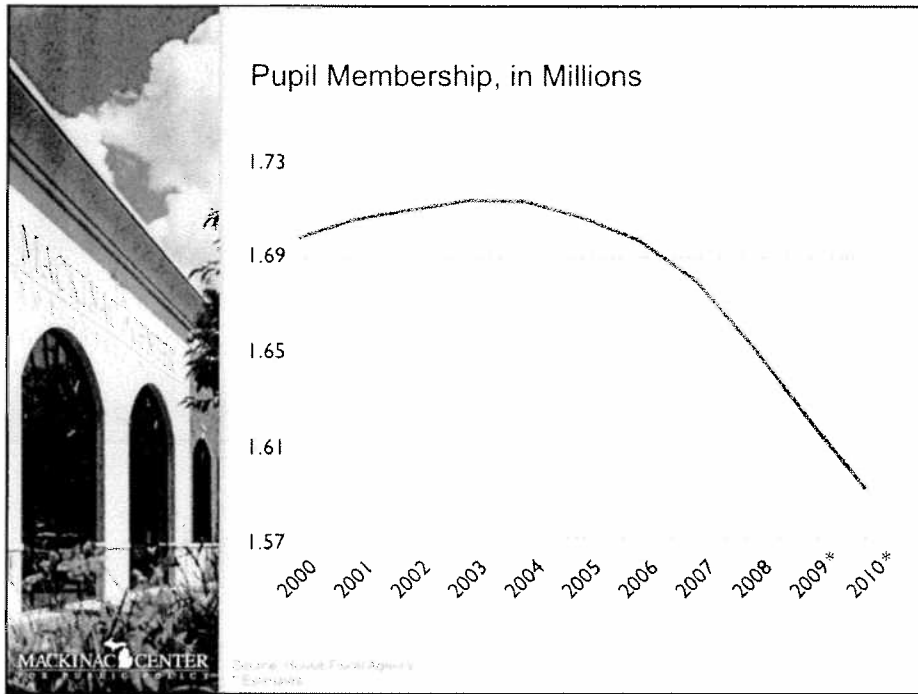
House Education Committee  
March 11, 2010

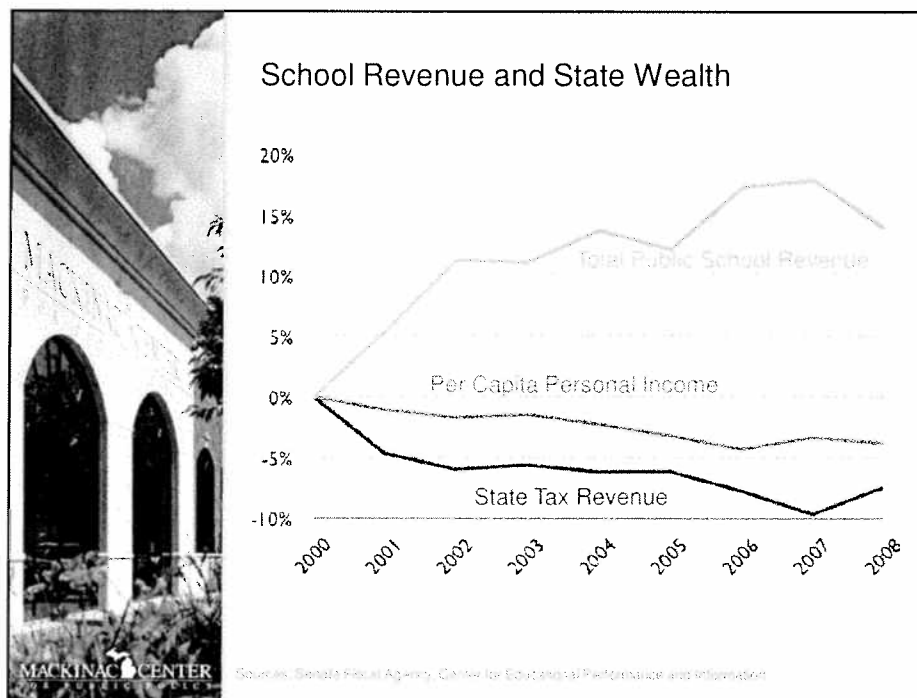
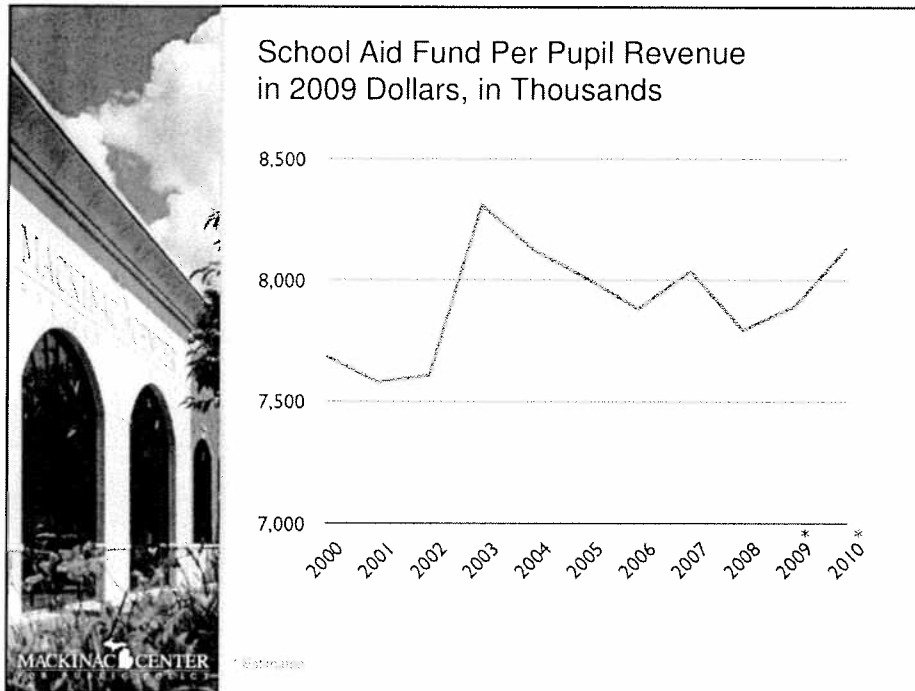
Michael Van Beek  
Mackinac Center for Public Policy  
<http://www.mackinac.org>

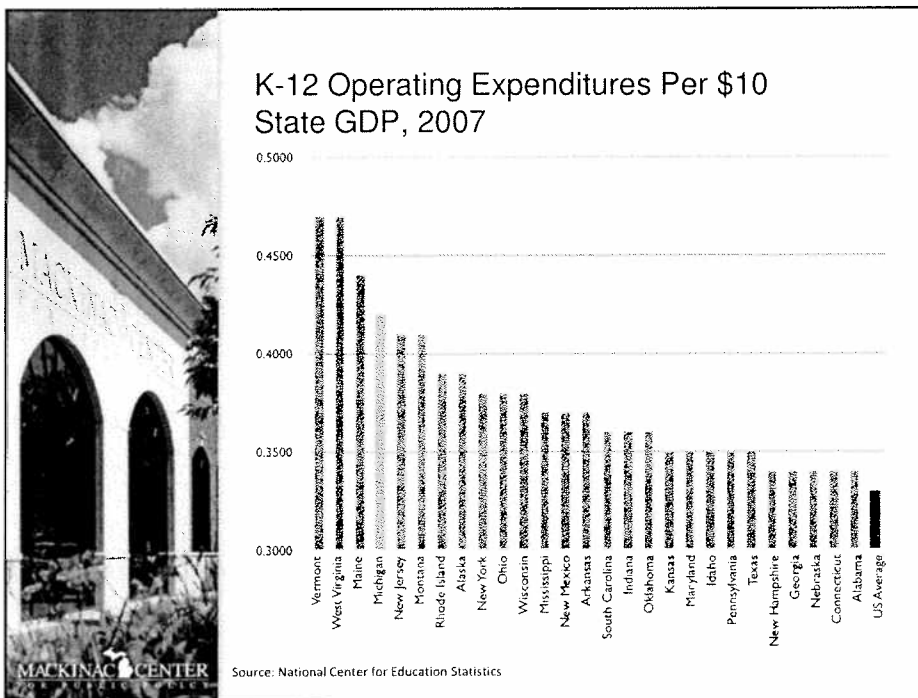
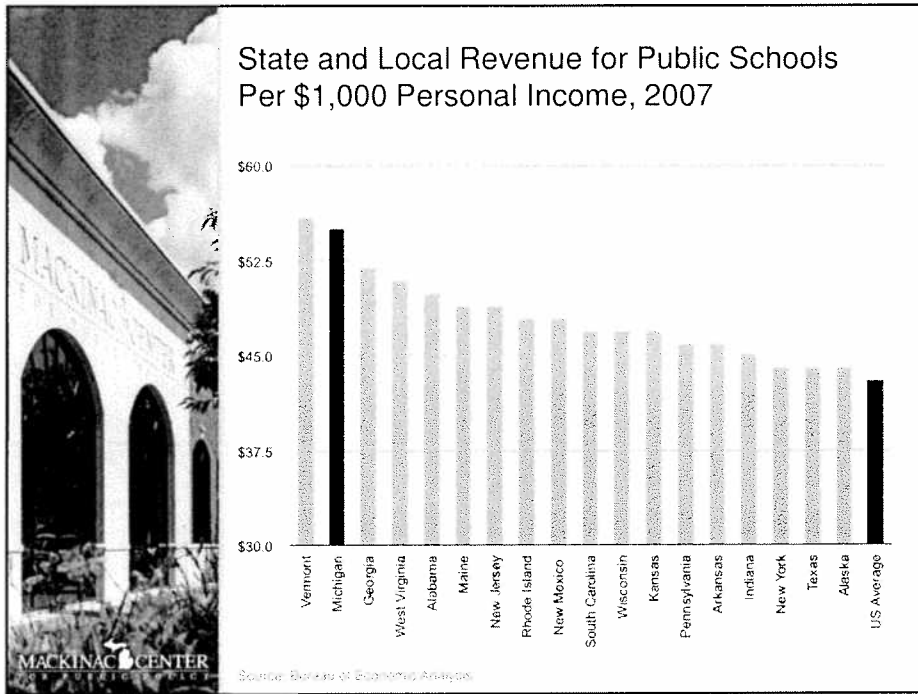


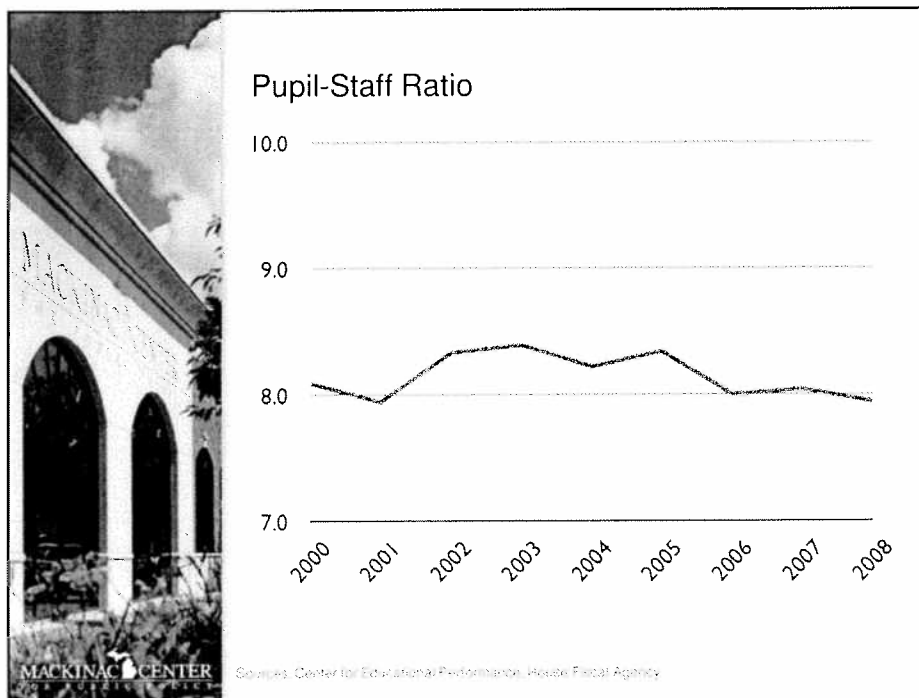
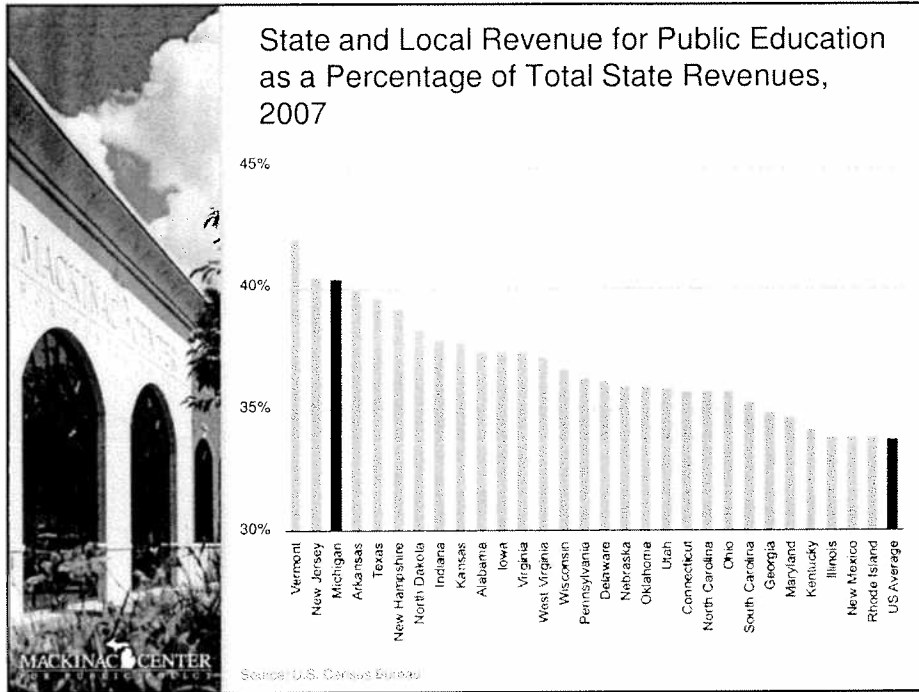
State School Aid Fund Revenue in  
2009 Dollars, in Billions

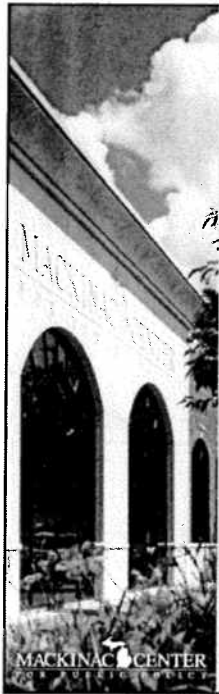












## Locked-In Labor Costs

### Single Salary Schedule

Districts automatically pay higher wages to employees unless contract is renegotiated

### Seniority-Based Staffing Decisions

Districts must keep the most expensive staff when reductions need to be made, regardless of their performance

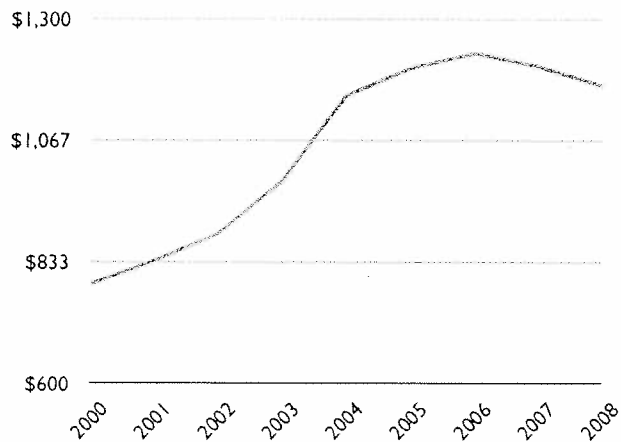
### Tenure

Districts cannot effectively remove poor performing teachers from the classrooms

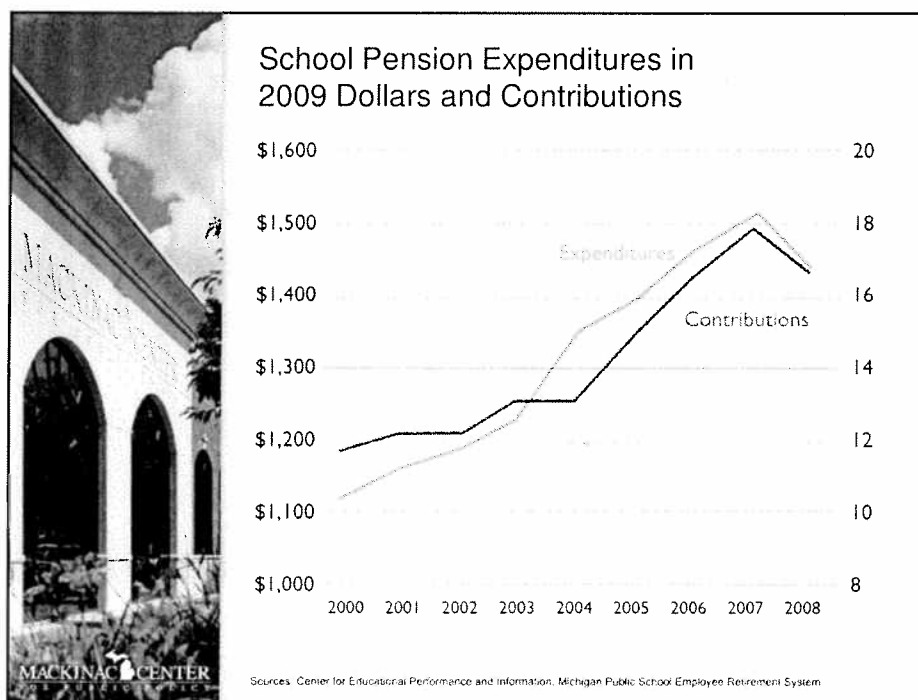
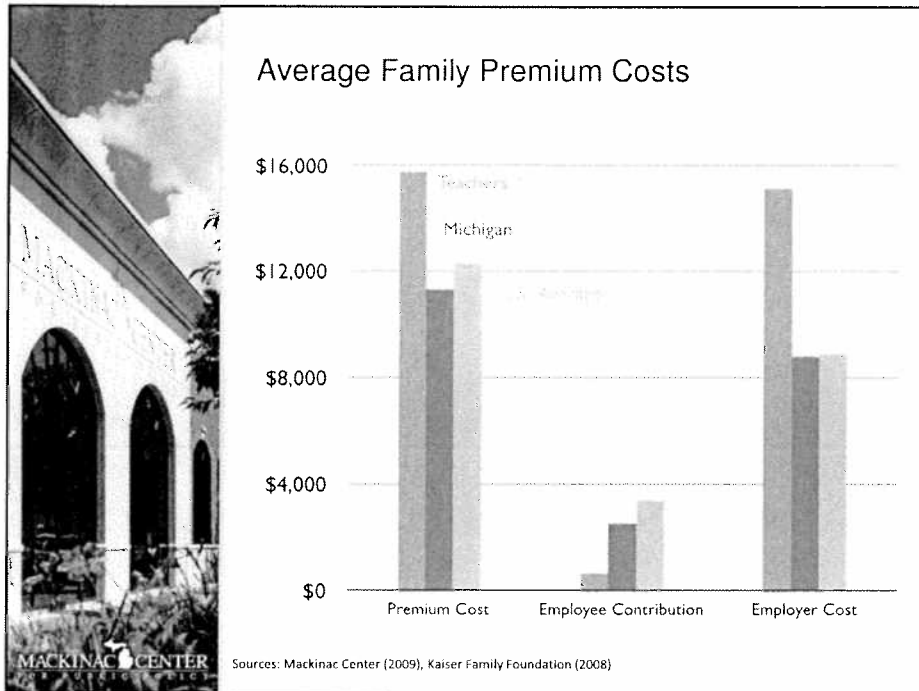
Source: Center for Educational Performance, House Fiscal Agency

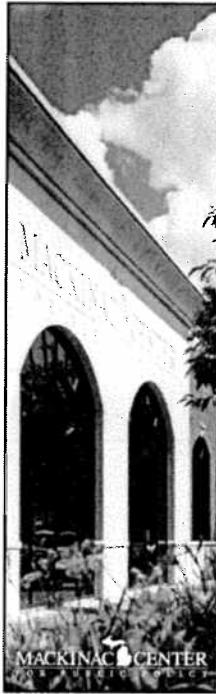


## School Employee Health Insurance Costs

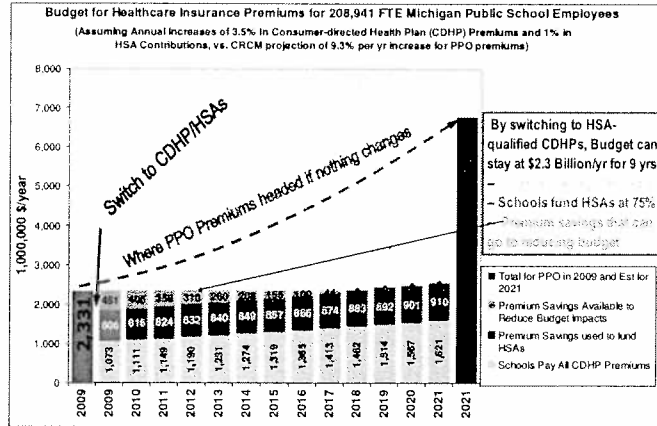


Source: Center for Educational Performance and information, 2008 Constant Dollars

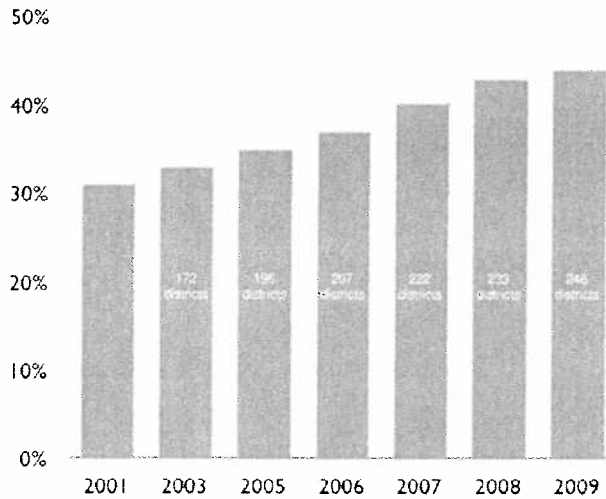




## Health Savings Accounts for School Employees

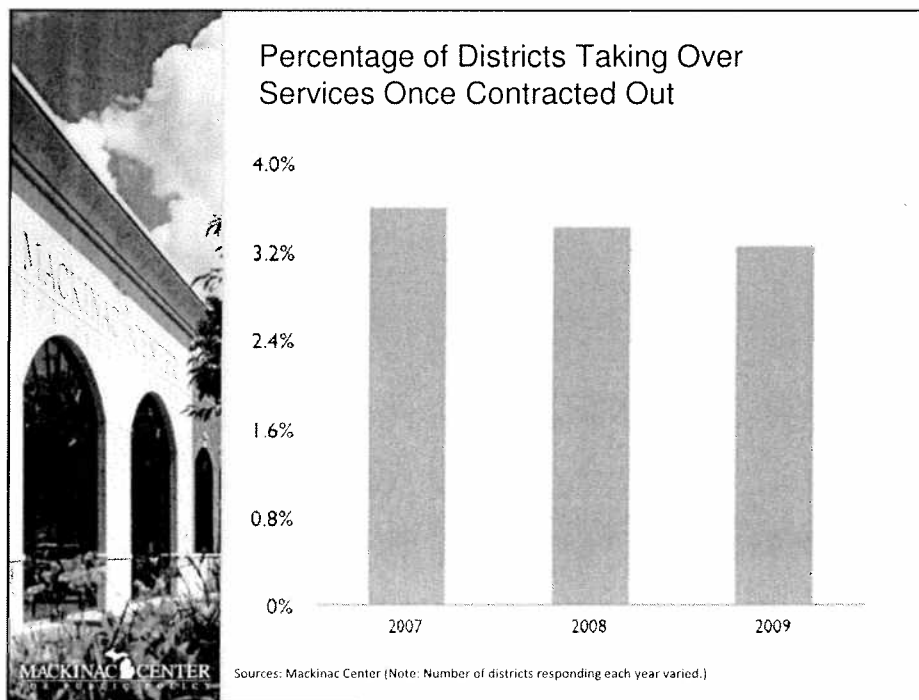
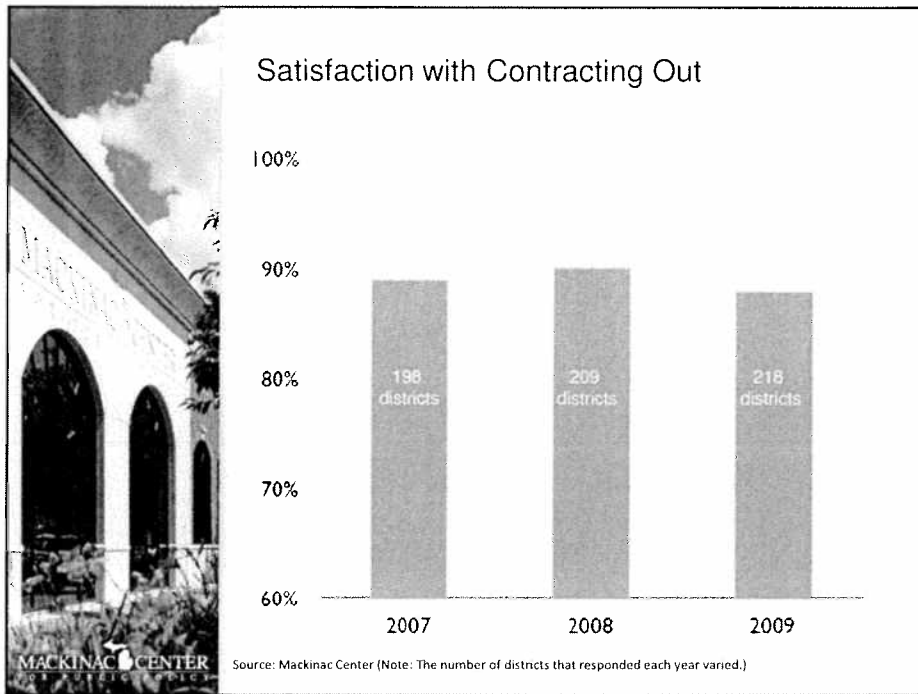


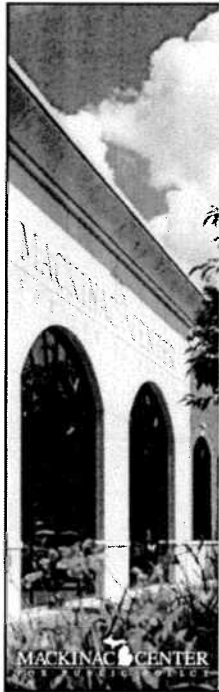
## Contracting Out Noninstructional Services



Source: Mackinac Center (Note: The number of districts that responded each year varied.)







## Dual Enrollment

- Community colleges offer many of the same courses high schools do, but at a lower overall cost
- Lansing Community College costs for course equivalent to Algebra II:
  - Resident: \$365
  - Nonresident: \$670
- Foundation allowance proration for Algebra II: \$1,100
- Savings of \$735 for residents and \$430 for nonresidents
- Current law prohibits students from dual enrolling if their district offers the course.
- Only 7 percent of eligible 11<sup>th</sup> and 12<sup>th</sup> graders dual enroll.
- Portion of foundation allowance follows student for college courses.



## Online Learning

- Federal Department of Education 2009 study: "Students who took all or part of their class online performed better, on average, than those taking the same course through traditional face-to-face instruction."
- Pew Charitable Trust online program created savings of 40 percent per college course.
- Florida Virtual School spends \$1,500 less per pupil than bricks and mortar schools.
- Pennsylvania virtual charter schools operate with 73 percent of the funding of conventional schools in the state.
- Legislation restricts students from taking more than 2 virtual courses per year
- Two virtual charters that will be allowed to open have capped enrollments